



4 July 2016

FAO: Rt Hon Frank Field MP
Iain Wright MP
Work and Pensions Committee
Business, Innovation and Skills Committee
14 Tothill Street
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BY EMAIL

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Dear Mr Field and Mr Wright

BHS INQUIRY

I refer to your letter of 20 June 2016 setting out questions for me relating to your current inquiry on BHS. Please accept my apologies for being unable to reply in full before the deadline originally stipulated.

For convenience, I will set out below the questions listed in your letter under reply, followed by my answers. Before doing so, however, it may be convenient to start by providing some relevant background information, and also some observations on the relevant context in which your questions arise.

Background

I am a director of Taveta Limited, the holding company in a group which currently includes, amongst others, Arcadia Group Limited and previously (before the acquisition by Retail Acquisitions Limited) included BHS Group Limited. I have been resident in Monaco since 1998 and am domiciled there. The only entities previously connected with BHS Group Limited to which I am currently appointed

as a director are Global Textiles Investments Limited, Global Textiles Investments II Limited and Global Textiles Investments III Limited. Global Textiles Investments Limited, Global Textiles Investments II Limited and Global Textiles Investments III Limited's interaction with BHS is historic in that they owned the majority shareholding in BHS Group Limited from 2000 until it was sold to Taveta Investments (No. 2) Limited in 2009.

Context

I am aware that there is an established scope to your inquiry on BHS and it was not entirely clear to me how the questions you have asked fall within it. In order to assist you and your Committees, and to avoid debate, I have done the best I can to answer those questions, in so far as the answers are within my knowledge and the questions relate either to (i) the ownership of BHS by entities with which I am connected or (ii) the sale of BHS to Retail Acquisitions Limited.

Question 1

With reference to the answers provided by Sir Philip relating to the Green family accounts (Qs 1769-72), could you provide a list of companies of which you or other Green family members are the ultimate holding parties, including in each case:

- a) a list of directors;**
- b) a list of shareholders and their shareholdings;**
- c) where the company is registered;**
- d) an explanation of why that country of registration was chosen;**
- e) an indication of its relationship to other Green family companies, including those in the Taveta group;**
- f) whether Sir Philip has a role, formal or informal in its running; and, if so, the nature of that role?**

The questions put to my husband and the answers he gave at Qs 1769 to 1772 relate to the sale and lease-back arrangements entered into by BHS in 2001. I understand that that is the focus of your inquiry to me, and I will focus my answers accordingly. Nevertheless, your Question 1 is on its face expressed in more general terms, and in order to avoid any need for follow-up questions from you or the Committees, I will also provide answers relating to companies that were not directly involved in the sale and lease-back arrangements. Although certain information in relation to those non-UK

companies is not publicly available, given that it appears that the intent of the questions is to understand my and my husband's involvement in the ownership and running of those companies, to assist with answering your question 'a)' I will indicate whether either I or my husband is a director. I trust this will be of assistance. In summary however, and for the avoidance of doubt, my husband is not, nor has he ever been, a director or a shareholder of any of the non-UK companies referred to.

Carmen Properties Limited: Carmen was the company to which BHS sold 10 properties in 2001, which were then leased back to BHS. As part of the sale to Retail Acquisitions Limited in March 2015, the entire issued share capital of Carmen was sold to BHS Properties Limited.

- (a) - I was a director of Carmen until 2008, but my husband has never been a director.
- (b) - The sole shareholder is BHS Properties Limited.
- (c) - It was incorporated in Jersey.
- (d) - I understand that non-UK companies are commonly used in a variety of corporate structures, including to hold UK commercial property.

My understanding is that jurisdictions such as Jersey and the British Virgin Islands are commonly preferred for their strong regulatory regimes and well-respected regulators and the size and competence of their professional communities. I believe these factors make them attractive jurisdictions to base holding companies in and accounts for the fact that so many businesses do just that.

- (e) Up until the sale of BHS, I was the ultimate beneficial owner of Carmen.
- (f) My husband had no role, formal or informal, in the running of Carmen.

Mildenhall Holdings Limited: This company was formed to purchase the freehold of a property in Leeds. Mildenhall then leased the property to BHS Properties Limited. The property was sold in February 2011 (at no gain) and Mildenhall was dissolved on 6 November 2012. The information below therefore relates to the status of the company at dissolution.

- (a) - I was not a director of Mildenhall, and neither was my husband.

- (b) - The shares were held by a nominee company pursuant to a declaration of trust in my favour.
- (c) - It was incorporated in Jersey.
- (d) - The reason for its incorporation in Jersey is as stated above.
- (e) - As noted above, this company has been dissolved.
- (f) - My husband had no role, formal or informal, in the running of Mildenhall.

Wilton Equity Limited: This company was incorporated in the British Virgin Islands on 28 February 2013 and purchased the freehold of Marylebone House (the leasehold of which was owned by two Carmen nominee property companies). Wilton paid for the surrender of the headlease by the two nominee property companies and granted an occupational lease to BHS in March 2015. Wilton was subsequently sold to Arcadia Group Limited in July 2015.

- (a) - I am not a director of Wilton, and neither is my husband.
- (b) - The sole shareholder is Arcadia.
- (c) - It was incorporated in the British Virgin Islands.
- (d) - The reason for its incorporation in the British Virgin Islands is as stated above.
- (e) - As noted above, Wilton was sold to Arcadia in July 2015. Arcadia is wholly owned by Taveta Investments (No.2) Limited, the ownership structure of which is covered below.
- (f) - My husband has no role, formal or informal, in the running of Wilton.

Global Textiles Investments Limited (previously named Sudelle Limited): This company was the majority shareholder in BHS Group Limited, owning it from 2000 until 2009.

- (a) - I am a director of this company but my husband is not.

- (b) - The shares are held by nominee companies pursuant to a declaration of trust in my favour.
- (c) - It was incorporated in Jersey.
- (d) - The reason why it was incorporated in Jersey is as stated above.
- (e) - I am the ultimate beneficial owner of Global Textiles Investments Limited.
- (f) - My husband has no role, formal or informal, in the running of this company.

Global Textiles Investments II Limited (previously named Lineman Holdings Limited): I acquired this entity, together with Global Textiles Investments III Limited, in 2003. These two companies were minority shareholders in BHS Group Limited until 2009 and are now noteholders of the Taveta Investments (No. 2) Limited bond.

- (a) - I am a director of this company but my husband is not.
- (b) - I am the sole shareholder.
- (c) - It was incorporated in the British Virgin Islands.
- (d) - The reason why it was incorporated in the British Virgin Islands is as stated above.
- (e) - I am the ultimate beneficial owner of Global Textiles Investments II Limited.
- (f) - My husband has no role, formal or informal, in the running of this company.

Global Textiles Investments III Limited (previously named Dar Jenna Limited): explanation as above.

- (a) - I am a director of this company but my husband is not.
- (b) - I am the sole shareholder.
- (c) - It was incorporated in the British Virgin Islands.
- (d) - The reason why it was incorporated in the British Virgin Islands is as stated above.

- (e) I am the ultimate beneficial owner of Global Textiles Investments III Limited.
- (f) My husband has no role, formal or informal, in the running of this company.

Keralan International Limited: This company is the holding company of Global Textiles Investments Limited.

- (a) - I am not a director of Keralan, and neither is my husband.
- (b) - The shares are held by a nominee company pursuant to a declaration of trust in my favour.
- (c) - It was incorporated in the British Virgin Islands.
- (d) - The reason why it was incorporated in the British Virgin Islands is as stated above.
- (e) - I am the ultimate beneficial owner of Keralan.
- (f) - My husband has no role, formal or informal, in the running of this company.

Taveta Investments (No. 2) Limited: This is the company that owned BHS Group Limited from 2009 until 2015. It is an intermediate holding company in the Taveta group.

- (a) - The directors are Paul Budge, Lord Anthony Grabiner, Ian Grabiner and Gillian Hague.
- (b) - Taveta Investments Limited is the sole shareholder.
- (c) - It was incorporated in England and Wales.
- (d) - The reason why it was incorporated in England and Wales is because it is the holding company for (chiefly) UK business.
- (e) - Taveta Investments (No. 2) Limited owns Arcadia and, as noted above, owned BHS Group Limited until 2015
- (f) - My husband was a director of the company until his resignation on 19 March 2015.

Taveta Investments Limited: This is the parent company of Taveta Investments (No. 2) Limited. It decides on the group's retail and commercial strategy.

- (a) - The directors are Baroness Karren Brady, Paul Budge, Siobhan Forey, Lord Anthony Grabiner, Ian Grabiner, Sir Philip Green, Christopher Harris, Brett Palos and David Shepherd.
- (b) - The shares are held as follows:
 - (i) - Ian Mark Allkins – 257,500;
 - (ii) - Paul Coackley - 1,031,000;
 - (iii) - Anthony Grabiner – 515,000;
 - (iv) - Ian Grabiner – 2,577,380;
 - (v) - John Readman - 257,500;
 - (vi) - Taveta Limited – 90,453,620; and
 - (vii) - Uberior Investments Limited - 8,000,000.
- (c) - It was incorporated in England and Wales.
- (d) - The reason why it was incorporated in England and Wales is because it is the holding company for (chiefly) UK business.
- (e) - The majority shareholding (87.740678%) is owned by Taveta Limited, a Jersey company of which I am ultimate beneficial owner.
- (f) - As noted in (a) above, my husband is a director of this company.

Taveta Limited: This is the parent company of Taveta Investments Limited.

- (a) - I am a director of this company but my husband is not.
- (b) - The shares are held by nominee companies pursuant to a declaration of trust in my favour.

- (c) - It was incorporated in Jersey.
- (d) - The reason why it was incorporated in Jersey is as stated above.
- (e) - I am the ultimate beneficial owner of Taveta Limited.
- (f) - My husband has no role, formal or informal, in the running of this company.

Tacomer Limited: This was the company to which BHS Group Limited, under its former name Measuremarket Limited, issued a £19,500,000 subordinated bond, maturing in May 2005.

- (a) - I am not a director of Tacomer, and neither is my husband.
- (b) - The shares are held by nominee companies pursuant to a declaration of trust in my favour.
- (c) - It was incorporated in Jersey.
- (d) - The reason why it was incorporated in Jersey is as stated above.
- (e) - I am the ultimate beneficial owner of Tacomer Limited.
- (f) - My husband has no role, formal or informal, in the running of this company.

Question 2

Further to Qs 1783-5, could you set out what income you or your companies currently derive from the acquisition of BHS and from other Taveta group companies?

The questions put to my husband and the answers he gave at Qs 1783 to 1785 relate to the financing of the acquisition of BHS by Taveta Investments (No 2) Limited. It is apparent from the questions put to my husband by Mr Quin that the timing and the amount of the relevant payments is, in Mr Quin's own words, "*completely transparent*". This transparency arises from the fact that the payments are reflected in the published, statutory accounts of Taveta Investments (No 2) Limited. In the circumstances, I understand that the reason why you are now asking for my answer is simply because my husband (having had the amount and the frequency of the payments put to him by Mr Quin in Q 1784) answered "*If you say so. I don't know*".

Against that background, I can confirm that Taveta Investments (No 2) Limited raised acquisition finance for the purchase of BHS by issuing £200m 10-year reducing balance subordinated unsecured fixed rate loan notes with an 8% coupon which were listed on the Channel Islands Stock Exchange on 20 July 2009. There are three noteholders: Global Textiles Investments Limited, Global Textiles II Limited and Global Textiles III Limited (all beneficially owned by me). The loan notes were issued in consideration for the transfer by those three companies of the shares they held in BHS to Taveta Investments (No 2) Limited. The loan notes carry interest at a rate of 8% per annum on the reducing balance of the notes. The total interest received by the noteholders for the interest period ending 30 September 2015 was GBP 8,244,444.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Cristina Green', written in a cursive style with a large loop at the end.

Cristina Green